

Message Text

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ORIGIN PM-04

INFO OCT-01 NEA-10 ISO-00 SS-15 DODE-00 NSCE-00 NSC-05
SSO-00 CCO-00 /035 R

DRAFTED BY PM/SAS:SWINSHIP/RS
APPROVED BY PM - LESLIE H. GELB
NEA - MR. SOBER
T - MR. LEDOGAR
DOD/DSAA - LTGEN FISH
NSC - MR. KIMMITT
S/S - MR. GAMBLE
D- MR. LAMB

-----180210 086762 /72-61
O 180127Z FEB 77 ZFF4
FM SECSTATE WASHDC
TO USDEL SECRETARY IMMEDIATE

C O N F I D E N T I A L STATE 037489 TOSEC 020098

E.O. 11652:GDS

TAGS:OVIP (VANCE, CYRUS R.) MASS, SA, US.

SUBJECT:ACTION MEMORANDUM - MILITARY SALES TO SAUDI ARABIA
(S/S NO. 7704633).

FOR THE SECRETARY FROM GELB

1. ISSUE TO BE DECIDED.

U- HAVE TWO SMALL ROUTINE FOREIGN MILITARY SALES CASES
FOR JEEPS AND ARMORED PERSONNEL CARRIERS FOR SAUDI ARABIA
READY TO GO. NOTIFICATION TO CONGRESS IS NOT REQUIRED. WE
ARE BRINGING THEM TO YOUR ATTENTION IN CASE YOU WISH TO MEN-
TION THESE SALES IN YOUR TALKS WITH THE SAUDIS.

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2. DISCUSSION.

LAST SUNDAY YOU ASKED ME WHETHER THERE WERE ANY PENDING
SALES OF MILITARY EQUIPMENT TO SAUDI ARABIA WHICH MIGHT BE
CITED TO OFFSET IN THE ARAB EYES THE PROBABLE REAFFIRMATION
OF THE FORD ADMINISTRATION'S DECISION TO SELL MORE TANKS AND
HOWITZERS TO ISRAEL. I HAVE NOW LEARNED THAT WE HAVE TWO

SMALL LETTERS OF OFFER READY FOR RELEASE TO SAUDI ARABIA AS FOLLOWS:

ARMY CASE UUM FOR 50 ARMORED PERSONNEL CARRIERS AND RELATED COMMUNICATIONS EQUIPMENT AND SPARES, VALUED AT 6,500,000 DOLLARS.

ARMY CASE UUY FOR 642 JEEPS AND JEEP AMBULANCES, VALUED AT 5,158,000 DOLLARS.

WE HAVE BEEN REVIEWING AND APPROVING CASES OF THIS SORT, WHICH DO NOT REQUIRE CONGRESSIONAL NOTIFICATION OR CONSULTATION, FOR SAUDI ARABIA AND OTHER COUNTRIES AS THEY ARE COMPLETED IN DOD. HOWEVER, IN VIEW OF YOUR INTEREST IN PENDING SALES AND THE POSSIBILITY THAT KNOWLEDGE OF THESE CASES MIGHT BE HELPFUL TO YOU IN YOUR MIDDLE EAST TALKS, I WILL NOT APPROVE RELEASE OF THESE LETTERS OF OFFER TO THE SAUDI ARABIAN GOVERNMENT PRIOR TO RECEIVING YOUR DECISIONS ON THE OPTIONS SPELLED OUT BELOW.

NEITHER OF THESE SALES IS SIGNIFICANT IN TERMS OF THE MIDDLE EAST ARMS BALANCE OR FURTHER EFFORTS TO LIMIT THE LEVEL OF SOPHISTICATED ARMAMENTS. UNDER THE SAUDI ARABIAN MODERNIZATION PROGRAM, FOR EXAMPLE, THE PREVIOUS ADMINISTRATION NOTIFIED CONGRESS IN MARCH 1976 OF A PACKAGE OF APCs, TANKS, AND OTHER MILITARY EQUIPMENT VALUED AT 436,000,000 DOLLARS, WHICH WAS APPROVED BY THE CONGRESS. THE 50 APCs IN THE PRESENT CASE ARE A SMALL ADD-ON TO SOME 1000 PREVIOUSLY CLEARED WITH THE CONGRESS AND OFFERED TO CONFIDENTIAL

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THE SAUDIS; THE JEEPS ARE PART OF A LARGER CASE WHICH CLEARED CONGRESS LAST JULY.

AS YOU KNOW FROM YOUR BRIEFING PAPERS, THE SAG IS PROBABLY MOST INTERESTED IN THIS ADMINISTRATION'S POSITION ON SALE OF F-15s. THIS, OF COURSE, IS A DECISION FOR THE FUTURE. RIGHT NOW, HOWEVER, WE ARE HOLDING SEVERAL VERY SIGNIFICANT CASES OF SALES TO THE SAUDIS WHICH REQUIRE NOTIFICATION TO THE CONGRESS. THE LARGEST CASE IS THE COMMERCIAL PURCHASE OF IMPROVED-HAWK ANTI-AIRCRAFT MISSILES UNDER A CONTRACT CONCLUDED WITH RAYTHEON LAST APRIL (AND APPROVED BY THE DEPARTMENT LAST MAY), VALUED AT OVER 1 BILLION DOLLARS; THE FIRST EXPORT LICENSE AND A RELATED FMS LETTER OF OFFER CANNOT BE ISSUED WITHOUT PRIOR NOTIFICATION TO CONGRESS. AN ACTION MEMORANDUM ON THIS SUBJECT IS BEING PREPARED FOR YOU. WE ALSO HAVE FIVE UNRELATED FMS CASES WITH A TOTAL VALUE OF ABOUT 680 MILLION DOLLARS. THREE ARE CORPS OF ENGINEER CONSTRUCTION PROJECTS FOR FAMILY HOUSING, POWER PLANT, AND NAVAL EXPANSION FACILI-

TIES, VALUED AT 580 MILLION DOLLARS. THE OTHER TWO ARE 16 MILLION DOLLARS WORTH OF TANK BULLDOZERS AND 80 MILLION DOLLARS FOR THE ANNUAL AMMUNITION PURCHASE FOR SAUDI FORCES.

PROCESSING OF THESE CASES HAS BEEN DELAYED BY THE SENATE FOREIGN RELATIONS COMMITTEE RESOLUTION DEMANDING A STATEMENT OF ADMINISTRATION POLICY TOWARD THE PERSIAN GULF PRIOR TO CONSIDERING ADDITIONAL SALES, BUT WE ARE PREPARING AN ACTION MEMORANDUM FOR YOUR CONSIDERATION.

IN VIEW OF THE DISPROPORTIONALITY BETWEEN THE PENDING CASES WHICH REQUIRE NOTIFICATION AND THE TWO ROUTINE CASES WHICH I AM NOW HOLDING, IT IS EVIDENT THAT ACTION ON THESE TWO CASES COULD NOT BE MORE THAN A TRIVIAL SIGNAL TO THE SAUDIS OF OUR GOOD INTENTIONS.

3. OPTIONS.
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THERE ARE ESSENTIALLY THREE OPTIONS AS I SEE IT:

A. PROCEED WITH BUSINESS AS USUAL, ISSUING THE LETTERS OF OFFER NOW AND WITHOUT MENTION TO THE SAUDIS.

B. APPROVE THESE LETTERS OF OFFER. IF THE SAUDIS RAISE THE ISSUE, ASSURE THE SAUDIS THAT WE ARE PROCEEDING WITH ROUTINE CASES. YOU MIGHT ALSO WISH TO TELL THEM THAT AFTER YOUR RETURN YOU WOULD LOOK INTO THE STATUS OF THE LARGER CASES REQUIRING NOTIFICATION TO CONGRESS.

C. SAME AS OPTION B. EXCEPT THAT YOU WOULD INITIATE DISCUSSION WITH THE SAUDIS ALONG THE LINES SUGGESTED.

4. RECOMMENDATION.

THAT YOU APPROVE OPTION B.

APPROVE DISAPPROVE

5.CLEARED:NEA:SOBER; T:LEDOGAR; DOD:LTGEN FISH; NSC: KIMMITT; D:LAMB.

HARTMAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TOSEC, BRIEFING MATERIALS, MILITARY SALES
Control Number: S7704633
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE037489
Document Source: CORE
Document Unique ID: 00
Drafter: SWINSHIP/RS
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770057-0873
Format: TEL
From: STATE
Handling Restrictions: n/a
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Original Handling Restrictions: n/a
Original Previous Classification: n/a
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Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
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Review Action: RELEASED, APPROVED
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Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3279621
Secure: OPEN
Status: NATIVE
Subject: ACTION MEMORANDUM - MILITARY SALES TO SAUDI ARABIA (S/S NO. 7704633). FOR THE SECRETARY FROM GELB
TAGS: OVIP, MASS, SA, US, (VANCE, CYRUS R)
To: SECRETARY
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/f1927cc4-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009